

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE  
FILED SUPERIOR COURT DIVISION  
17 CVS 009791

STATE OF NORTH CAROLINA, ex rel AUG 16 A 10: 52  
JOSH STEIN, Attorney General,

Plaintiff, WAKE COUNTY, C.S.C.  
BY

v.

CONSENT JUDGMENT

DRIVETIME AUTOMOTIVE GROUP,  
INC. and DT ACCEPTANCE CORP.

Defendants.

THIS CAUSE came on to be heard and was heard before the undersigned Wake County Superior Court Judge for entry of a Consent Judgment between Plaintiff, State of North Carolina, by and through its Attorney General, and defendants DriveTime Automotive Group, Inc. and DT Acceptance Corporation n/k/a Bridgecrest (hereinafter after collectively, "DriveTime"). The Court finds that the parties have resolved the matters in controversy between them and have agreed to the entry of this Consent Judgment ("Consent Judgment") by the Court without trial or adjudication of any issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

### **I. FINDINGS OF FACT**

1.1 Plaintiff State of North Carolina is acting through its Attorney General, Josh Stein, pursuant to authority granted in Chapters 75 and 114 of the North Carolina General Statutes to protect the consuming public from unlawful business practices.

1.2 Defendant DriveTime Automotive Group, Inc. is a for-profit Delaware corporation, and defendant DT Acceptance Corporation is a for-profit Arizona corporation.

1.3 At all times relevant to this action, defendant DriveTime Automotive Group, Inc. operated as a used car dealer which sold used cars and provided vehicle financing at seven (7) dealerships in North Carolina, through its financing company defendant DT Acceptance Corporation.

1.4 The State alleges that DriveTime Automotive Group Inc. and/or DT Acceptance Corporation engaged in trade and commerce affecting consumers within the meaning of N.C. Gen. Stat. § 75-1.1 , which included the following:

- a. falsely marketed and represented its pre-sale inspection process, by using terminology that may have created the net impression that all major defects in each vehicle were repaired before the vehicle was offered for sale when DriveTime's inspection process did not consist of steps by which all major defects in each vehicle were repaired before the vehicle was offered for sale, in violation of N.C. Gen. Stat. § 75-1.1; and
- b. falsely marketed and represented the terms of warranties provided by DriveTime, by using terminology that may have created the net impression that such warranties covered nearly all repairs in sold vehicles when the warranty terms did not cover nearly all repairs or defects in the sold vehicles, in violation of N.C. Gen. Stat. § 75-1.1.

1.5 The State further alleges that DriveTime Automotive Group Inc. and/or DT Acceptance Corporation engaged in the following collection practices:

- a. in an effort to collect debt from consumers, called such consumers with such frequency as to be unreasonable, in violation of N.C. Gen. Stat. § 75-52(3);

- b. in an effort to collect debt from consumers, called consumers at their place of employment after the consumer requested to no longer be contacted at their workplace, in violation of N.C. Gen. Stat. § 75-52(4); and
- c. in an effort to collect debt from consumers contacted persons other than the consumer, such as by calling references consumers had provided, in violation of N.C. Gen. Stat. § 75-53(1).

1.6 DriveTime denies all of Plaintiff's allegations in paragraphs 1.4 and 1.5 and specifically denies any violation of law or wrongdoing in connection with the marketing of DriveTime's pre-sale inspection process and warranties or the servicing of automobile loans but, in the interest of compliance and resolution of the matter, desires to resolve this controversy without further proceedings and agrees to the entry of this Consent Judgment.

## **II. CONCLUSIONS OF LAW**

- 2.1 This Court has jurisdiction over the parties and the subject matter of this action.
- 2.2 Entry of this Consent Judgment is just and proper and in the public interest.
- 2.3 Plaintiff's Complaint states a cause of action against DriveTime upon which relief may be granted, and the Court finds good and sufficient cause to adopt this agreement of the parties and these findings of fact and conclusions of law as its determination of their respective rights and obligations and for entry of this Consent Judgment.

## **III. PERMANENT INJUNCTIVE RELIEF AND COMPLIANCE**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** that DriveTime, its officers, agents, servants, employees, and attorneys, and any person acting under the actual direction or control of DriveTime, are hereby permanently restrained and enjoined from engaging in acts and practices prohibited by North Carolina's Unfair and Deceptive Trade

Practices Act, including but not limited to N.C. Gen. Stat. § 75-1.1, and from engaging in acts and practices prohibited by North Carolina's debt collection laws, including but not limited to N.C. Gen. Stat. §§ 75-50 *et seq.*, as such laws currently exist or may be amended in the future. Further, such entities and/or persons are hereby permanently restrained and enjoined from engaging in the following acts and practices and shall comply with the following conduct requirements:

3.1 Future Operations. In compliance with N.C. Gen. Stat. § 75-1.1 and N.C. Gen. Stat. §§ 75-50 *et seq.*, DriveTime shall:

- a. Refrain from misrepresenting the nature of its pre-sale inspection process, including but not limited to the scope of defects inspected or repaired via that process, and omit from all promotional materials such terms as "we take care of everything before the car makes it to the lot" and all other terms which could give the net impression that all defects in every vehicle are repaired before the vehicle is offered for sale;
- b. Refrain from misrepresenting the terms of warranties, including but not limited to the scope of the warranties, and omit from all promotional materials such terms as "You're covered in most cases" and all other terms which give the net impression that its warranties cover nearly all repairs on sold vehicles, and otherwise;
- c. When marketing, promoting, and/or presenting warranties provided by DriveTime in conjunction with the sale of an automobile, provide prospective buyers with a clear and conspicuous list of repairs which are excluded by the terms of such warranties. Such a list shall include those repairs most often submitted in claims under, yet not covered by, DriveTime's warranty;

- d. Refrain from communicating with consumers at their workplaces if consumers have requested that DriveTime not communicate with them at their workplaces in compliance with N.C. Gen. Stat. § 75-52(4); and
- e. Refrain from communicating with any person other than the consumer or authorized third parties in connection with the collection of a debt, except as expressly permitted by N.C. Gen. Stat. § 75-53(1).

3.2 Regulation of Other Conduct. Nothing in this Consent Judgment is intended to relieve DriveTime of its responsibility to comply with all applicable North Carolina laws.

3.3 Other State Governmental Entities. This Consent Judgment shall not bind any other offices, boards, commissions, or agencies of the State of North Carolina.

3.4 Retention of Jurisdiction. The Court retains jurisdiction over this action to take any further action deemed necessary to enforce this Consent Judgment, including imposition of penalties, and to award the State judgments for any costs, including attorney's fees, it incurs in the event of noncompliance by any of the defendants.

3.5 No Sanction of Business Practices. DriveTime shall not represent directly or indirectly or in any way whatsoever that the Court or the North Carolina Attorney General has sanctioned, condoned, or approved any part or aspect of DriveTime's business operation.

3.6 Information Obtained By Discovery. DriveTime attests that it has submitted in response to Civil Investigative Demands issued by the Attorney General, to the best of its knowledge and based upon its records, an accurate accounting of its selling, marketing, and debt collection processes and practices in North Carolina. If, at any time following the execution of this Consent Judgment, any consumer (who purchased an automobile in North Carolina from DriveTime during the period from January 1, 2011 to the date of entry of this Consent Judgment)

submits a written complaint to the Attorney General tending to show that the consumer encountered a defect which rendered the vehicle inoperable and required mechanical repairs in excess of \$500 within the first sixty (60) days and within the first 3,000 miles after the vehicle was purchased, and that such defect was reported to DriveTime within the first sixty (60) days after the defect was discovered and has not already been resolved through a settlement with DriveTime, DriveTime shall submit the following to the Attorney General within thirty (30) days: (1) a check made payable to the consumer in an amount based on the same percentage of purchase price used to determine the restitution for consumers under Paragraph 4.1 below; and (2) documents which reflect how the payment was calculated.

3.7 Release of Claims. This Consent Judgment shall fully resolve all legal claims and issues raised in the Complaint against the Defendants for their activities up to the date of this Consent Judgment.

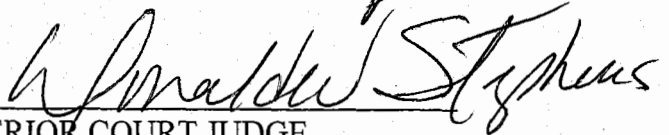
#### **IV. MONETARY RELIEF**

**IT IS FURTHER ORDERED** that:

4.1 Restitution. Within thirty days after execution of this Consent Judgment, DriveTime shall issue a refund to each consumer identified in Exhibit A in the amount reflected therein who encountered a defect which rendered the vehicle inoperable and required mechanical repairs in excess of \$500 within the first sixty (60) days and within the first 3,000 miles after the date of purchase (and who reported such defect to DriveTime or the North Carolina Attorney General and has not already entered into a settlement with DriveTime), as follows: DriveTime shall submit checks, made payable to each of the aforementioned consumers, to the Attorney General for distribution by the Attorney General to the consumers.

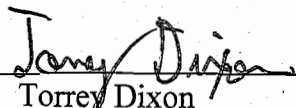
4.2 Payment. DriveTime shall pay the sum of \$10,000 to the Attorney General to be used for attorney's fees, investigative costs, consumer protection enforcement, other consumer protection or restitution purposes, and other purposes allowed by law, at the discretion of the Attorney General. DriveTime shall pay the amount set forth above via a check payable to the "North Carolina Department of Justice" on or before the date this Consent Judgment is executed.

**SO ORDERED** this the 15 day of August, 2017 at 5 o'clock p.m.

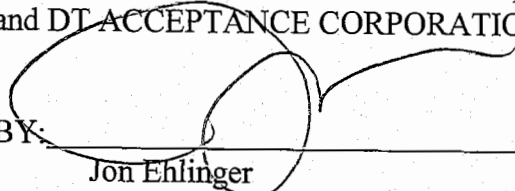
  
\_\_\_\_\_  
SUPERIOR COURT JUDGE

CONSENTED TO:

STATE OF NORTH CAROLINA,  
ex rel. JOSH STEIN  
Attorney General

BY:   
\_\_\_\_\_  
Torrey Dixon  
Assistant Attorney General

DRIVETIME AUTOMOTIVE GROUP, INC.  
and DT ACCEPTANCE CORPORATION

BY:   
\_\_\_\_\_  
Jon Ehlinger  
Executive Vice President and General Counsel

# EXHIBIT A

NAME	RESTITUTION
M. Wright	\$1,814.42
S. Jackson	\$939.50
J. Bethea	\$1,409.50
L. Johnson	\$1,559.50
C. Grimmitt	\$1,269.50
T. Blanton	\$1,629.50
Q. Miles	\$1,039.50
J. Adams	\$1,529.50
L. Crissman	\$1,459.50
S. Brown	\$1,539.50
T. Latham/ K. Shepherd	\$1,409.50
K. Harrison	\$1,339.50
S. Williams	\$919.50
W. Whitner/D. Gibson Whitner	\$1,439.50
A. Roberts-Dickerson	\$1,639.50
I. Evans	\$1,389.50
V. Morris	\$1,069.50
R. Sutton	\$1,579.50
L. Rogers/ K. Brown	\$1,139.50
N. Obi	\$1,769.50
H. Noyes	\$1,259.50
N. Speight	\$1,419.50
D. Seward	\$929.50
M. Houston	\$1,579.50
A. Hunter	\$1,319.50
L. Green/ K. Green	\$1,499.50
J. Hoyle	\$1,239.50
J. Clowney	\$1,169.50
L. Kalambayi	\$1,509.50
J. De Lima	\$1,519.50
L. Deberry	\$1,159.50
M. Robbs	\$1,259.50
R. Judkins	\$1,709.50
M. Carter	\$1,189.50
K. Hodsden	\$1,589.50
J. Ferrell	\$1,269.50
D. Wade /J. Wade	\$1,089.50
B. Carpenter	\$939.50
J. Wilson	\$1,139.50
M. Ferrell	\$1,319.50
T. Scott	\$1,589.50

T. Jacobs	\$1,339.50
T. Vogel	\$1,307.79
C. Adock	\$1,679.50
B. Mack, Jr.	\$1,699.50
P. McKeever	\$1,539.50
S. Brown	\$1,579.50
G. & K. Benton	\$1,569.50
V. Brister	\$1,749.50
R. Wyatt	\$1,559.50
T. Harrison	\$1,472.49
A. Watson	\$1,695.50
S. Debose	\$1,489.50
V. Jordan	\$1,319.50
W. Bradbury	\$1,509.50
E. Newman	\$1,649.50
C. Butts	\$1,189.50
<b>TOTAL</b>	<b>\$79,933.70</b>